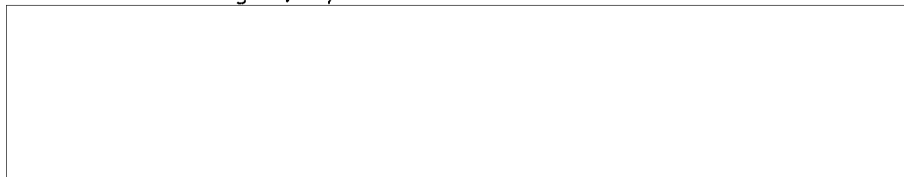


Agenda for meeting on Implementation of In-House Administration
of Retirement Programs for all Agency Employees

Attendees: Mr. William Donnelly, DDA
Mr. Robert Magee, D/OP



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Issues for Discussion:

1. Full Implementation by 1 January 1987 - Replicate CIARDS system for non-CIARDS participants vs

Partial Implementation by 1 January 1987 (OPM maintaining non-CIARDS types until full automation accomplished at least until latter part of 1987.) (Attachment A)

2. Resource Implications: (Background - Attachment B)

<u>FY - 1986</u>	<u>FY - 1987</u>	<u>FY - 1988</u>
<u>Automation</u> OP - \$210,000-IBM PC's and/ or Contractual Agreements	<u>Automation</u> \$965,000 - Contracts with Vendors	<u>Human Resources</u> Same as FY86 & 87 plus: OP - 1 full-time Employee OF - 5 full-time Employees
<u>Human Resources</u> OP - 4 full-time employees, one part-time employee and office space OF - 4 full-time employees OIT - 5 full-time employees	<u>Human Resources</u> Same as FY86	

3. Should final annuity computations be made by the Office of Personnel (OP) or should the Office of Finance continue to exercise their role in this process? Payment instructions would be provided by OP to OF. (Attachment C)
4. Should CIARDS participants be allowed to transfer into Federal Employees Retirement System (FERS) or FERS Special Category? (Attachment D)
5. Information Item: Office of Personnel will assume the administrative responsibility for the Thrift Savings Plan as is now done for the VIP.

Full Implementation by 1 January 1987:

In order to fully implement the in-house Administration of retirement and retirement processing for all Agency employees, the following systems will be modified or developed:

1. develop new PERSIGN coding for designating employees into the appropriate retirement system;
2. modify the existing payroll system to withhold and report FICA, Med Tax, FERS and Thrift Plan deductions;
3. develop manual system to transmit Thrift elections between OP and OF;
4. replicate CIARDS systems for paying non-CIARDS retirees;
5. develop manual process for computing benefits and transferring data between OP and OF;
6. develop software to compute annuity supplement;
7. research and purchase commercial Thrift software package, modify to Agency standards and install stand-alone system.

Full automation procedures for all retirement processes will be initiated concurrently with the development and implementation of the interim procedures.

Partial Implementation by 1 January 1987:

This approach would entail implementing only steps 1 through 3 and possibly 7.

1. develop new PERSIGN coding for designating employees into the appropriate retirement system;
2. modify the existing payroll system to withhold and report FICA, Med Tax, FERS and Thrift Plan deductions;
3. develop manual system to transmit Thrift elections between OP and OF;
7. research and purchase commercial Thrift software package, modify to Agency standards and install stand-alone system.

The retirement processing for CSRS retirees and FERS death and disability cases would be handled by Office of Personnel Management (OPM). The Agency would continue to process any CIAPDS cases.

In addition, the Working Group would define the requirements for modifying all current systems and developing specifications for automating Retirement Division. The goal would be to identify a vendor who could provide software that would create a Corporate Data Base environment for retirement processing within the Agency. Implementing such a system would allow OP and OF employees involved in the retirement process to access all necessary data bases, compute benefits and transfer data by automated mechanisms thus precluding the need for any manual processes. It would take one to two years to complete this effort, delaying full implementation of internal retirement administration until that time.

ATTACHMENT B:

Resource Implications

The \$210,000 for FY-1986 would be used to purchase IBM-PC's for Retirement Division or where possible by 30 September 1986, negotiate contractual agreements with vendors or consultants. Employee resources are those necessary to develop, implement and maintain the in-house retirement administration processes. The \$965,000 will be used to modify existing systems and develop new systems.

The following lists the types of positions to be staffed:

OFFICE OF PERSONNEL

2-Retirement Counselors
Retirement Operations
Branch
1-Retirement Counselor,
Annuitant Section, ROB
1-Systems Administrator
1-Systems Analyst
1-P/T Clerical

OFFICE OF FINANCE

7-Retirement Pay
Technicians
2-Systems Analysts

OFFICE INFORMATION TECHNOLOGY

2-Maintenance Programmers
2-Production Specialists
1-Keypunch Operator

ATTACHMENT C:

Computation of Annuities:

The OP/RD employees make annuity estimates which are transferred to the OF which in turn checks the figures and makes a final computation of the annuity prior to making the initial payment. Although this process appears to be one of long-standing duration, there is no regulation or written policy which clearly outlines the origin of this double check procedure for annuity computations. The process may have been implemented as a safeguard to C/OF/CD's authority to certify disbursements from the CIARDS fund.

Agency personnel view OP as the administrator of the Retirement Program. On those occasions when questions arise regarding annuity computations their queries are made to a Retirement Counselor in OP. Because of this situation the counselor should be completely responsible for the data and methodology used in computing the employee's annuity. In addition, transferring to OP the responsibility for final computation of annuity benefits and certification to the OF for the commencement of annuity payments would bring our processing system in line with OPM's and possibly save some personnel resources.

ATTACHMENT D:

The Retirement Working Group raised the issue of CIARDS participants transferring to the FERS which would allow these employees to circumvent the age 60 mandatory retirement age under CIARDS.

In the past when the CSRS mandatory age was changed, CIARDS participants were given a one-time irrevocable opportunity to switch from CIARDS into CSRS.

Does the Agency want to again offer CIARDS participants a one-time opportunity to switch into the FERS?